

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 1722 – HB 1977

April 13, 2016

**SUMMARY OF ORIGINAL BILL:** Requires the Bureau of TennCare or the Division of Health Care Finance and Administration (HCFA) of the Department of Finance and Administration to continue to use technical assistance groups (TAGs) of healthcare providers in developing any episode of care and to maintain the use of TAGs throughout the period of implementation of any episode of care when developing or implementing any payment reform initiative involving the use of episodes of care with respect to medical assistance.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Expenditures - \$25,600

Increase Federal Expenditures - \$47,600

**SUMMARY OF AMENDMENT (016049):** Deletes all language of the original bill. Creates the *TennCare Omnibus Act of 2016*. Requires the Bureau of TennCare or the Division of Health Care Finance and Administration (HCFA) of the Department of Finance and Administration to report on the use of technical assistance groups (TAGs) of healthcare providers in developing any episode of care. The reports are to include all recommendations made by TAGs throughout the period of implementation of any episode of care. The Bureau is to summarize the recommendations of any TAGs concerning the payment reform initiative and identify any action taken by the Bureau or HCFA to address those recommendations in the currently required quarterly reports to the General Assembly. The Bureau and HCFA are to report, by July 1 of each year, to the Health Committee of the House of Representatives and the Health and Welfare Committee of the Senate concerning the use of TAGs and on each recommendation made by those groups and the response by the Bureau or HCFA to each recommendation.

No later than October 1, 2016, the Deputy Commissioner of Finance and Administration responsible for the TennCare program is to establish a procedure permitting data sets to be obtained from the all payer claims database and any managing vendor of the database by the Department of Finance and Administration, the Department of Health, the Department of Mental Health and Substance Abuse Services, the Department of Intellectual Disabilities and Developmental Disabilities, and other departments of this state.

Increases the number of members, from 11 to 13, of the TennCare Advisory Commission. Those two members being the Chair of the Health Committee of the House of Representatives, or the Chair's designee, and the Chair of the Health and Welfare Committee of the Senate, or the Chair's designee. Additionally adds these two members to serve as ex officio members of the state TennCare Pharmacy Advisory Committee.

## **FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:**

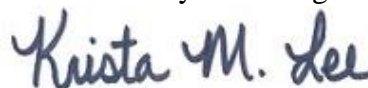
### **Increase State Expenditures - \$2,100**

Assumptions for the bill as amended:

- Based on information provided by the Bureau of TennCare, authorizing departments to obtain data sets from the all payer claims database and any managing vendor of the database can be accommodated within existing resources.
- The two additional General Assembly members that will serve on the TennCare Advisory Commission will receive reimbursement for travel expenses and per diem.
- Assuming three annual meetings when the General Assembly is not otherwise in session, there will be a recurring increase in state expenditures of \$2,061 [(2 members x \$139.59 travel) + (2 members x \$204 per diem) x 3 meetings].
- Any additional cost to meet the reporting requirements of this bill as amended is considered not significant.

## **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



Krista M. Lee, Executive Director

/jem